

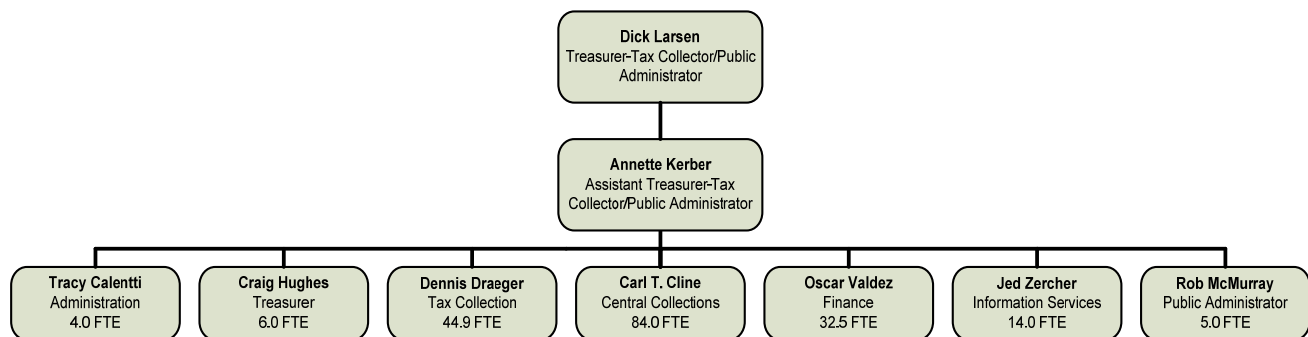
TREASURER-TAX COLLECTOR/PUBLIC ADMINISTRATOR

Dick Larsen

I. MISSION STATEMENT

The mission of the San Bernardino County Treasurer-Tax Collector/Public Administrator's office is to fulfill its statutory obligations in a fair, courteous and professional manner that is open and accessible to citizens, the business community, and other public agencies. This office will utilize current and evolving technology to enhance services and improve the reach of those services throughout the region. We will operate efficiently to deliver the highest quality services at the lowest possible cost to the taxpayers of San Bernardino County.

II. ORGANIZATIONAL CHART



III. DESCRIPTION OF MAJOR SERVICES

The Treasurer-Tax Collector/Public Administrator is responsible for:

- Collection of property taxes.
- Performing the county's treasury function.
- Administering estates of persons who are deceased and no executor or administrator has been appointed.
- Providing a collection service for the county as well as to provide accounting and collections of court ordered payments.

The tax collection function involves the collection and accounting of property taxes for all county taxing entities that amounts to almost \$2.0 billion in property taxes and other fees.

The Treasurer is responsible for the investment of the county investment pool, which includes county funds and all school districts within the county, as well as providing banking services for these agencies.

The Treasurer-Tax Collector's Central Collections Division collected more than \$38.0 million for the year ended June 30, 2006. The majority of these collections are from court-ordered fines and the Arrowhead Regional Medical Center's delinquent accounts receivable.

IV. 2005-06 ACCOMPLISHMENTS

Tax Collector:

- Collected \$1.78 Billion in annual property taxes.
- February 2006, largest supplemental tax bill mailing in history – over \$93 Million.
- Completed the As-Is and To-Be documentation in support of creating a new Unified Property System. This is the first step of a joint project with the Assessor and Auditor-Controller/Recorder toward creating a state of the art one stop property system.

- Express Payment Center implemented at 172 W. Third St., San Bernardino. This option was made available for taxpayers paying current bills by check.
- Victorville seasonal satellite payment center opened from December 1st through 11th and April 1st through 11th.
- Created Bond Indebtedness and Mello-Roos On-line Report for real estate professionals.

Treasurer:

- Attained record high pool balance of \$3.96 Billion.
- Distributed \$94.7 Million in interest earnings.
- Maintained “AAA” rating by all major rating agencies

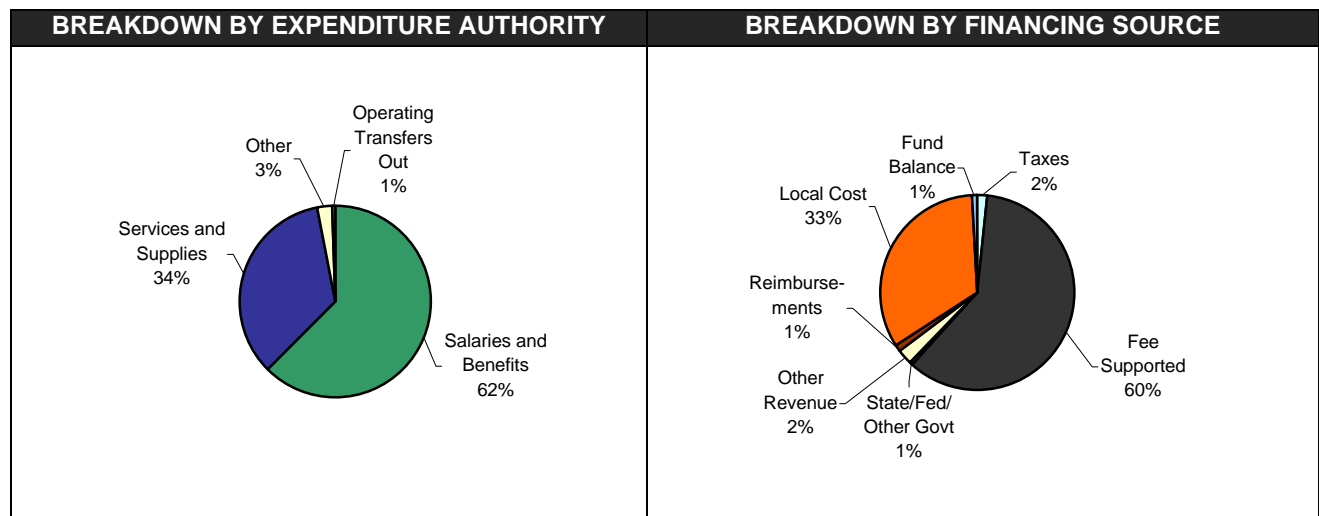
Public Administrator:

- The Treasurer-Tax Collector assumed responsibility for the Public Administrator’s Office.
- Implemented a new internet based case management system.
- Replaced outdated computer equipment.
- Implemented performance measurement tools and standards.
- Implemented tools to identify best practices and to measure cost effectiveness of case management.

V. 2006-07 SUMMARY OF BUDGET UNITS

	2006-07				
	Appropriation	Revenue	Local Cost	Fund Balance	Staffing
Treasurer-Tax Collector/Public Administrator	19,863,932	13,022,442	6,841,490		199.4
Redemption Maintenance	219,885	62,679		157,206	-
Unified Property Tax System	131,786	131,654		132	-
TOTAL	20,215,603	13,216,775	6,841,490	157,338	199.4

VI. 2006-07 BUDGET



VII. GOALS, OBJECTIVES, AND PERFORMANCE MEASURES

GOAL 1: MANAGE THE COUNTY TREASURY FUNCTION IN A SAFE, EFFECTIVE AND EFFICIENT MANNER.

Objective A: Maintain the highest possible credit rating from the three major rating agencies for the county investment pool.

MEASUREMENT	2005-06 (Actual)	2006-07 (Projected)	2006-07 (Estimated)	2007-08 (Projected)
1A. County investment pool rating.	Moody's – Aaa, S&P – AAAF, and Fitch - AAA	Moody's – Aaa, S&P – AAAF, and Fitch - AAA	Moody's – Aaa, S&P – AAAF, and Fitch – AAA	Moody's – Aaa, S&P – AAAF, and Fitch - AAA

Status

The primary goal of the treasury function is to provide for safe and effective management of the cash and investments in the county's investment pool. The objective selected to meet this goal is the maintenance of the highest possible credit rating from the three major credit rating agencies (Fitch, Moody's, and Standard and Poor's). The objective is attained through the formulation and follow-through of sound financial policies and procedures. The achievement of this objective will demonstrate the department's ability to effectively meet the goal of a safe and effective treasury.

The county investment pool is currently being rated by the three major credit rating agencies. The department expects to continue receiving the highest possible credit rating.

GOAL 2: COLLECT PROPERTY TAXES IN AN EFFECTIVE MANNER WITH A FOCUS ON CUSTOMER SERVICE.

Objective A: Meet or exceed the average collection rate of comparable counties for secured property taxes.

Objective B: Meet or exceed the average collection rate of comparable counties for unsecured property taxes.

Objective C: Increase electronic payments of property taxes by taxpayers through the use of E-check and credit card.

MEASUREMENT	2005-06 (Actual)	2006-07 (Projected)	2006-07 (Estimated)	2007-08 (Projected)
2A. Meet or exceed the average collection rate of comparable counties for secured property taxes. NOTE: It has been determined that data for secured tax collection rates of other counties is unreliable and subject to wide variations in calculation methodologies.	96.2% secured property tax collection rate	≥ 97.6% secured property tax collection rate	≥ 96.2% secured property tax collection rate.	N/A
2B. Meet or exceed the average collection rate of comparable counties for unsecured property taxes.	97.4% unsecured property tax collection rate	≥ 94.9% unsecured property tax collection rate	≥ 96.0% unsecured property tax collection rate	≥ 94.9% unsecured property tax collection rate
2C. Percentage increase of electronic property tax payments through E-check and credit card. (52,124 electronic payments as of 2005-06)	43%	10%	10%	10%

Status

The primary goal of the property tax collection function is to collect property taxes for the county and other taxing agencies while providing taxpayers with a professional and convenient payment experience. The first objective selected to meet this goal for 2007-08 involves meeting or exceeding the average unsecured collection rates of comparable counties within the State of California. In addition, the department's goal is further met by the offering and promotion of electronic methods of property tax payments, including credit card and e-check payments via the internet and an Interactive Voice Response (IVR) system.



The department mailed out secured tax bills in September and October for 2006-07, while unsecured tax bills were mailed in July. In an effort to meet these objectives for 2006-07, the department has:

- Initiated a customer service study and marketing campaign to better understand our customer's needs and ensure taxpayers are aware of their numerous payment options.
- Initiated an outreach campaign and marketing effort to better understand and meet the needs of the Spanish speaking taxpayer.
- Re-launched our web-site: offering a Spanish version, a new look and feel, more intuitive navigation, a shopping basket allowing for payment of multiple parcels in one transaction, a tax deadline and information reminder service for those who subscribe and the ability to print duplicate tax bills.
- Preparing to implement a new Interactive Voice Response (IVR) system: including a Spanish option; adding 28 additional lines, improved reliability, more intuitive navigation and the option to pay electronically via one's checking or savings account.
- Added twelve part-time phone support professionals to better support heavy call volumes during peak call periods.
- Conducted a Request for Proposal to develop and implement a Unified Property System together with the Auditor-Controller and Assessor. Negotiations are in process. The new system will provide taxpayers with state of the art functionality and reliability in a one stop environment.

GOAL 3:	INVESTIGATE AND ADMINISTER THE ESTATES OF DECEDENTS WITH CARE AND PROFESSIONALISM.
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Objective A: Decrease the average investigation period of decedents.

Objective B: Decrease the average estate administration period.

MEASUREMENT	2005-06 (Actual)	2006-07 (Projected)	2006-07 (Estimated)	2007-08 (Projected)
3A. Annual decrease in the average amount of time necessary to close the investigation of decedents.	N/A	3%	3%	3%
3B. Annual decrease in the average amount of time necessary to close the administration of estates.	N/A	3%	3%	3%

Status

The primary goal of the Public Administrator function is the timely investigation and administration of the estates of decedents. The objectives selected to assist in meeting this goal include a reduction in the amount of time taken to investigate and administer estates. Professional investigations and administration must occur in a timely manner for the department's goal to be achieved.

The department continues working towards reducing the investigation and administration periods by 3% annually. The department will accomplish this by identifying best practices and developing tools to better analyze and track the progress of cases. In September 2005, a new internet based case management system was implemented. This system is collecting data that will report performance data including case aging. Reports are nearing completion. Before the close of 2006-07, data will be available to report case aging progress from September 2005 to June 2007.

VIII. 2006-07 APPROVED ADDITIONAL GENERAL FUND FINANCING (MID-YEAR)

Mid-Year Item 1: The department received \$963,774 in ongoing general fund financing for the following:

1. Lease of office and counter space for the full-time Victorville satellite office,
2. Three new positions to provide customer service, phone support, cashing and payment processing at a full-time Victorville satellite office,
3. Five positions to provide customer service, phone coverage, and payment processing at the main office in San Bernardino,
4. Twelve part-time unclassified contract positions to provide off-site phone support,
5. Two positions to provide high-level technical support,
6. Two position reclassifications, and
7. Equipment, office furniture and supplies to support the new positions describe above.



MEASUREMENT	2005-06 (Actual)	2006-07 (Projected)	2006-07 (Estimated)	2007-08 (Projected)
M1. Increase in-person accessibility to Tax Collector services by opening a year-round Tax Collector satellite office – defined as average customers per day.	N/A	N/A	N/A	15
M2. Attain an average call wait time of less than 5 minutes by implementing an off-site phone support service.	N/A	3 Minutes	3 Minutes	3 Minutes
M3. Reduce Tax Collector staff overtime by filling newly approved customer service positions.	N/A	35%	35%	N/A

Status

The primary goal of this mid-year budget adjustment was to maintain the ability to collect property taxes in an efficient and effective manner while continuing to provide excellent customer service to the taxpayers. Workload growth necessitated expansion of services and creative workload management solutions.

The department is currently working with Real Estate Services to locate a site for the Victorville satellite office. In the mean time, the department is operating a seasonal satellite payment center in the City of Victorville from December 1st through 11th and April 1st through 11th. The positions approved for the satellite office will be filled once a site is secured.

Filling the new positions approved for the San Bernardino office was awaiting availability of work space. A remodel of the basement, which added twelve additional workstations, was completed in December. Accordingly, the newly approved positions are anticipated to be filled in January.

The re-classifications approved in the budget adjustment have been completed.

The department successfully implemented a new off-site phone support service, directing calls to experienced part-time employees working from home during the department's peak call periods.

The department will be able to maintain prior year over-time cost reductions with the positions approved in the mid-year item.

IX. 2007-08 REQUESTS FOR ADDITIONAL GENERAL FUND FINANCING (POLICY ITEMS)

2007-08 OBJECTIVES FOR POLICY ITEMS	2007-08 POLICY ITEMS
P1. Increase in-person accessibility to Tax Collector services by opening two satellite offices, one in the West-end and one in the Low-desert regions of the county.	West-end and Low-desert Tax Collector satellite offices. These satellite offices will serve the taxpayers of the County who currently drive as long as 1-2 hours to resolve property tax issues in person. These satellite offices will help the department in meeting the goal of collecting property taxes in an effective manner with a focus on customer service. Additional Funding Requested: One-time start-up costs in the amount of \$82,390. Ongoing annual costs in the amount of \$507,028.

MEASUREMENT	2005-06 (Actual)	2006-07 (Projected)	2006-07 (Estimated)	2007-08 (Projected)
P1. Average Number of lobby customers per day <ul style="list-style-type: none"> West End Satellite Office Low Desert Satellite Office 	N/A N/A	N/A N/A	N/A N/A	20 10

X. 2007-08 PROPOSED FEE ADJUSTMENTS

DESCRIPTION OF FEE REQUEST	SERVICE IMPACTS
In 2007-08, the department will propose an increase in Unsecured Delinquency Processing Fee as noted in the current fee ordinance 16.0230 (t) from \$45 per parcel to \$70 per parcel.	The current fee is not sufficient to defray the current actual costs associated with the collection process. The Proposed revised fee will more realistically cover the costs of the collection.

If there are questions about this business plan, please contact Annette Kerber, at (909) 387-6372.

